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Review of the efficiency of the administrative and financial functioning of the United Nations

Report of the Secretary-General on the activities of the Office of Internal Oversight Services

Report of the Office of Internal Oversight Services on the review of common services in the United Nations

Note by the Secretary-General

1. Pursuant to General Assembly resolution 48/218 B of 29 July 1994, the Secretary-General has the honour to transmit herewith, for the attention of the Assembly, the report, conveyed to him by the Under-Secretary-General for Internal Oversight Services on the review of common services in the United Nations.

2. The Secretary-General takes note of its findings and concurs with its recommendations.

Report of the Office of Internal Oversight Services on the review of common services in the United Nations**

Summary

The expansion and strengthening of common services is one of eight strategies in the Secretary-General's new vision for management set out in his programme for reform. (A/51/950). Specifically, the Secretary-General requested a review of major support services as a measure to strengthen existing common services and to expand the provision of services on a consolidated basis where this can result in more effective and efficient services. The objective was to assure that support services would be cost-effective, high-quality and timely, provided on a competitive basis and result in client satisfaction.

* A/54/50.

** Text shown in italics represents the comments of management on the present report.

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The implementation of the Secretary-General's common services strategy is evolving in an interactive environment between the United Nations and the funds and programmes in New York. All parties are striving to find areas of joint collaboration while keeping their individual mandates intact. Experience has proven that while common arrangements involving direct provision of services, for example, payroll, pouch and visas, are more easily acceptable to users and providers, there is reluctance to share processes requiring managerial decision-making, such as common recruitment services. A Task Force on Common Services was established by the Under-Secretary-General of the Department of Management *in March 1997, under the chairmanship of the then Assistant Secretary-General for Central Support Services.* In September 1997, the newly appointed Assistant Secretary-General for Central Support Services was also designated the Executive Coordinator for Common Services. The Task Force has redefined its major objectives, created working groups for specific areas, adopted plans of action for each of those areas and engaged in implementing those plans. In keeping with the collaborative approach, the working groups are chaired by representatives of the United Nations, the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), the United Nations Office for Project Services and the United Nations Development Programme (UNDP).

An inspection by the Office of Internal Oversight Services was conducted at United Nations Headquarters and at the United Nations Offices at Geneva and Vienna to review progress achieved in strengthening common services in the areas identified in the Secretary-General's report: procurement, information technology and telecommunications; the Integrated Management Information System; personnel services, including medical services; financial services, including banking, treasury and payroll; legal services; transportation and traffic operations; security and safety services; facilities management; printing facilities; and archives and records management. The inspection also assessed efforts to improve the effectiveness and efficiency of the support services of the United Nations in those same areas. Because the present report is focused on the efforts being undertaken to implement the Secretary-General's objectives, analyses of cost-savings achieved or expected are not included. The Task Force on Common Services and its different working groups are responsible for recommending cost-sharing arrangements between the United Nations and the funds and programmes.

The inspection confirmed that the Secretary-General's reform measures gave new impetus to the need to seek cost-effectiveness through possible expansion of common services. As will be seen in the relevant sections of the present report, within the working groups, specific actions have been taken to mobilize implementation of the Secretary-General's strategy in New York. It is essential to ensure that the United Nations Offices at Geneva and Vienna are included in the overall implementation strategy and that the other overseas duty stations are kept informed of lessons learned and best practices identified. The delegation of authority to programme managers and the decentralization of monitoring and policy functions to the United Nations Offices at Geneva and Vienna are crucial factors in enhancing the efficiency and timeliness of support services. The processes required to implement these mechanisms need to be urgently acted upon by the Department of Management.

The recommendations in the present report aim at enhancing central support services and removing some of the barriers to the expansion of common services: the different mandates of the intergovernmental bodies of the organizations of the United Nations system; the system's culture of "turf protection" and the lack of faith among organizations that one

organization will protect the interests of the others; the lack of interaction and communication at the highest levels, that is, among heads of organizations. *The Task Force on Common Services has promoted a collaborative approach which has created more openness on the part of the United Nations and the participating agencies in New York to the question of common services.* Equally important, a successful expansion of common services and enhanced support services requires a shift in the approach and thinking at the level of individual staff members and programme managers in all sectors of the Organization so that they too will take the initiatives and risks required to effect change. Furthermore, if the concept of common services is to become a reality in the United Nations system, Member States also need to reinforce their commitment to cost-effectiveness through unified positions at the respective intergovernmental mechanisms of each organization.

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I. Introduction

1. The Secretary-General's comprehensive management reform objectives were outlined in his note to the President of the General Assembly of 17 March 1997 (A/51/829) and in his programme for reform submitted to the General Assembly on 14 July 1997 (A/51/950). With respect to common services, in the latter document, under **Strategy 6: Expand and strengthen common services**, it was stated that: "The United Nations family of organizations shares many facilities and services at Headquarters and other duty stations. The Secretary-General is reviewing all major support services to strengthen existing common services and to expand the provision of services on a consolidated basis where this can result in more effective and efficient services. The review includes procurement; information technology and telecommunications; the Integrated Management Information System (IMIS); personnel services, including medical services; financial services, including banking, treasury and payroll; legal services; transportation and traffic operations; security and safety services; facilities management; printing facilities; and archives and records management. The objective is to assure that support services are cost-effective, high quality and timely, provided on a competitive basis and result in full client satisfaction. This implies a clear price structure for common services, a transparent system of budgeting and reimbursement; accountability to clients for the delivery of services; user feedback mechanisms; harmonization of regulations, rules, policies and procedures; and economies of scale and selective outsourcing".

2. An inspection of common services within the framework of the review of those areas cited above was undertaken by the Central Monitoring and Inspection Unit (CMIU) of the Office of Internal Oversight Services in October 1998 at United Nations Headquarters and the United Nations Offices at Geneva and Vienna. Other duty stations such as Nairobi and the regional commissions were not included in this review. However, *the United Nations Development Group (also established under the Secretary-General's reform programme) has a working group on common services at the country level* and it is the Secretariat's intention to share lessons learned and best practices obtained in New York, Geneva and Vienna with the other duty stations.

3. Responsibility for implementing the Secretary-General's proposals for common services approaches was assigned to the Under-Secretary-General, Department of Management, who, *in March 1997, requested the Assistant Secretary-General, Office for Common Support Services, to establish a Task Force charged with identifying concrete initiatives that would help achieve the Secretary-General's objectives in the common services area. In October 1997, the Under-Secretary-General of the Department of Management appointed an Executive Coordinator for Common Services and commissioned the Task Force on Common Services and its working groups to find practical ways of reinforcing the notion of "One United Nations", in which different entities, pooling resources and standardizing practices, could more easily and effectively draw from each other's respective strengths.* A Common Services strategy paper, defining the basic principles of the undertaking, was prepared by the Task Force in January 1998 and served as an important reference document in the conduct of this inspection. Other relevant materials and documentation were provided by offices concerned. The inspection also took into account the reports of the Joint Inspection Unit (JIU) on common services in New York (A/51/686 and Add.1 and 2) and the report entitled "United Nations system common services at Geneva, part I: Overview of administrative cooperation and coordination" (A/53/787).

4. Key definitions used in this report are derived from the strategy paper referred to above: **Common services** are services shared by the United Nations Secretariat with one or more organizations within the United Nations system, i.e., the voluntary funds and programmes and the specialized agencies. **Central support services** are those which are provided to various units within the **same** organization, in this case the United Nations, and are carried out under a direct line of management authority within that organization.

5. The inspection covered two aspects: first — on the basis of the reasoning that sound central services provide a logical staging ground for common services, the inspection examined how the central support services in areas included in the Secretary-General's plan to strengthen common services had improved or otherwise effected changes in the work approaches that would enhance cost-effectiveness, quality of services delivered and timeliness. The inspection also sought to assess whether those services were competitive and resulted in client satisfaction. Consistency in the application of Secretariat policies and procedures by the central services in the three duty stations was also reviewed. Interviews were held with programme managers concerned to gather information on the mechanisms in place within the entities themselves to solicit user feedback and assess customer satisfaction. With regard to the latter, selected client entities were also interviewed. Second — the inspection assessed the status of implementation of the Secretary-General's objectives to strengthen common services and to expand the provision of such services on a

consolidated basis where this would result in more effective and efficient services. Existing common services and other areas that would lend themselves to possible expansion, that is those in which it could be reasonably expected that pooling resources would lead to economies of scale and reduce duplication in support services among United Nations entities in one duty station, were studied. This inspection therefore reports on existing common services, the central support services related to them and developments that have taken place between the period from October 1998 to March 1999 in response to the Secretary-General's initiatives. Because this report has focused on the efforts being undertaken to implement the Secretary-General's objectives, analyses of cost-savings, either achieved or expected, are not included. The Task Force on Common Services and its working groups are responsible for recommending cost-sharing arrangements among the United Nations and the funds and programmes.

6. It is important to clarify that an OIOS inspection is neither an audit nor an in-depth evaluation. It is rather a "snapshot" that captures the state of the object of review at a particular moment in time.

7. OIOS thanks the Executive Coordinator, the Joint Inspection Unit, the Secretariat departments, United Nations Offices at Geneva and Vienna and the United Nations funds and programmes for their cooperation and invaluable assistance.

II. Common services arrangements and central support services at Headquarters in New York and the United Nations Offices at Geneva and Vienna

8. The inspection review confirmed that there is a need to closely examine existing arrangements throughout the Organization with a view to extending common services whenever this can result in more effective services.

9. The concept of common services is not new. It is an issue that has remained on the agenda of the management of the United Nations for many years. It exists, to a large extent, in New York, to a certain degree at Geneva, where arrangements are less formal, and in an organized and coherent basis at Vienna. Common services arrangements have led to the development of differing cost-sharing formulas and monitoring mechanisms at the three duty stations. Experience has proven that common services involving direct provision of services, such as payroll, pouch services and telecommunications, easily lend themselves, on the whole, to acceptance by users and providers, but that there is greater reluctance in sharing processes requiring some degree of managerial decision-making, for example procurement or recruitment matters.

10. Approaches to common services at the three duty stations are influenced by many factors, among which is the size of each office in terms of staff and departments and the volume of work produced, the physical arrangements and the operational relationships among United Nations entities in each locality. The perceived inefficiency of some central support services, which could provide common services, was cited as a deterrent to expanding common services. In New York, *the Task Force on Common Services has succeeded in instilling a team approach that takes account of the sensitivity of participating organizations regarding their identity and mandate, which has led to openness to the expansion of common services.*

A. New York

11. The Secretary-General's reform measures gave new impetus to the need to seek cost-effectiveness through possible expansion of common services. At United Nations Headquarters, a Task Force on Common Services with working groups comprising representatives from the United Nations, UNICEF, UNDP, UNFPA and the United Nations Office for Project Services, were established in the 11 areas cited in the Secretary-General's report, in early 1997. *The cooperation extended by the funds and programmes both in providing leadership to the various working groups and in seconding staff to carry out the common services undertaking has contributed greatly to getting the work off the ground.* OIOS met with the respective chairpersons of the working groups and relevant officials in central support services. Information received from them on the status of the work, the progress achieved since the process began, the constraints encountered and on further actions required to translate the Secretary-General's objectives into reality are reflected in this report.

12. Implementation of the Secretary-General's common services initiative has advanced in New York, in accordance with the approach adopted in the Common Services Strategy Paper. *Pursuant to the established project strategy, participation of the United Nations Offices at Geneva and Vienna in the initiative has thus far been at the level of information-sharing — those Offices have shared with the Executive Coordinator their prior, ongoing experiences and,*

in turn, the Task Force on Common Services has systematically shared information on the work and results from New York. The Executive Coordinator indicated to the Office of Internal Oversight Services that greater coordination and involvement between Headquarters and the Offices away from Headquarters will take place, drawing on the lessons learned from the New York experience and with due consideration for the location-specific context and history of common services at those duty stations. The Task Force on Common Services considered that the New York location is in some respects less complex to manage in terms of common services, especially given that the major partners are the funds and programmes. In the case of the Geneva and Vienna duty stations, there are some already existing common services arrangements. *Also, the major partners are the specialized agencies, which are not under the direct authority of the Secretary-General.* The Office of Internal Oversight Services nevertheless considers that earlier coordination and guidance by the Task Force on Common Services with the Offices away from Headquarters would have been useful in order to expedite the Secretary-General's goals for common services, because of the greater challenge that is faced in those locations.

13. One of the aims of the Secretary-General's new vision for management is to enhance the delivery of mandated programmes by delegating authority, responsibility and full accountability for the management of financial and human resources to line managers. In that regard, his programme for reform stated that too often the delivery of mandated programmes was hampered by excessive bureaucratic procedures and rules, with responsibility for management of resources kept in the hands of administrators who had no accountability for programme delivery (A/51/950, paras. 236–237). OIOS considers this strategy an essential element of the reform processes involving the central support services. The Department of Management in New York has been engaged in determining how best to implement this strategy. To that end, measures undertaken in November 1998, as reflected in ST/AI/1999/1, to delegate authority on human resources matters to programme managers at all duty stations are a welcome step in the right direction. However, the list of administrative issues that had required continued reference to the Office of Human Resources Management (OHRM) until that time bore testimony to how few steps had been taken to operationalize the accountability and responsibility of programme managers, in spite of the Organization's stated commitment to Member States and section E of General Assembly resolution 48/218 A of 23 December 1993. It is important for the Office of Human Resources Management to finalize the expanded delegation of authority to programme managers and to establish the corresponding accountability mechanism, as requested by the General Assembly, as soon as possible.

14. With regard to the quality and timeliness of support services provided by the Department of Management to departments in New York, clients interviewed acknowledged that efforts had been made in many divisions (notably the Accounts Division) to enhance efficiency. However, the most common complaint by the clients centred on what is considered to be the lack of "service-orientation" within the Office of Human Resources Management and the undue delays related to day-to-day administrative processes, for example, extension of contracts, the circulation of vacancy announcements, responses to telephone and personal inquiries and assistance in handling staff/management issues.

15. The United Nations Offices at Geneva and Vienna have divisions of administration that are structured along the lines of the Department of Management in New York, except that the Office at Vienna includes a full conference services component. The heads of those divisions, like the executive officers of departments in New York, are accountable to both the Under-Secretary-General of the Department of Management and the directors-general of those Offices, and many decisions, in particular those relating to human resources and financial matters, require the approval of Headquarters. Both Offices emphasized the need to decentralize authority from New York for the sake of efficiency and the timely delivery of services. In conjunction with the delegation of authority to programme managers, Headquarters should decentralize the necessary authority and responsibility to the divisions of administration at Geneva and Vienna to allow those Offices to effectively interpret and apply policies and to monitor administrative operations on behalf of Headquarters and not to act, as at present, as mere intermediaries between various departments and Headquarters. The divisions of administration at Geneva and Vienna should be vested with the same level of authority as the central support services of the Department of Management. Such an arrangement would greatly alleviate delays in decision-making and do away with the marked duplication of administrative functions, and the resulting waste of resources, whereby Headquarters double-checks and verifies the processes that have in fact already been worked out by the United Nations Offices at Geneva and Vienna.

B. United Nations Office at Geneva

16. As stated above, early coordination on the review of common services would have been particularly useful in relation to the United Nations Office at Geneva where the principle of common services would appear to be more applicable, given the number of organizations of the United Nations with headquarters at Geneva. A number of internal and external reviews have been undertaken which provide background on the complications that attend the establishment of common services at Geneva. The most recent of those was the report of the Joint Inspection Unit (A/53/787), in which the Inspectors noted that, "notwithstanding their close physical proximity to each other and several institutional commonalties embedded in the United Nations common system framework, the Geneva-based secretariats operate very few services in common ... The overall picture is one of considerable fragmentation and duplication of overhead structures and costs". The Inspectors concluded that it would be desirable for the Member States to encourage and support efficiency reforms and enhanced inter-secretariat collaboration in the quest for more cost-effective methods and vehicles for delivering programmes, given that Geneva is the most expensive of the eight major United Nations system locations.

17. The possibility of expanding common services among the United Nations system organizations in Geneva, on the basis of the experience in New York, requires immediate attention. Some initiatives aimed at promoting efforts in this direction are under way. For example, in the area of procurement, a Joint Purchase Service has been established involving the United Nations Office at Geneva and the specialized agencies. The Office has initiated other informal discussions, which should be pursued to seriously address the expansion of common services at Geneva.

18. At Headquarters, departments and offices recognize the central management authority of the Department of Management. At the United Nations Office at Geneva, different users of the central support services have different arrangements. The Economic Commission for Europe and the United Nations Conference on Trade and Development (UNCTAD) report directly to Headquarters on their programme budgets, in spite of the fact that many of their activities have programme budget implications for the administrative and conference services of the Office at Geneva. Those entities also have their own administrative offices, which, because of their understanding of and familiarity with the substantive work of departments, facilitate the administrative responsibilities of departments heads. Comments from client departments indicated a need to consolidate and harmonize administrative processes at the United Nations Office at Geneva. The Office should also harmonize the nomenclature of its services with those in New York and Vienna. For example, the term Personnel Service, rather than Human Resources, and General Services, instead of Central Support, are still used even in the 1998 draft of ST/SGB/1998/12.

19. With regard to the support services carried out by the United Nations Office at Geneva, a client survey undertaken in September 1998 showed that, in general, client departments were satisfied, except for the charge-back system, highlighted in the financial services section of the present report (paras. 35–46). The Office acknowledged that enhanced communication and improved client-oriented attitudes were essential, particularly in light of the envisaged delegation and decentralization of authority from Headquarters.

C. United Nations Office at Vienna

20. In Vienna, common services are well established and organized along the lines of the 1977 memorandum of understanding concerning the allocation of common services and related matters at the Vienna International Centre signed by the United Nations Industrial Development Organization (UNIDO), the United Nations and the International Atomic Energy Agency (IAEA) (see annex II). Direct costs for common services are shared according to agreed upon formulas, primarily based on space occupied and/or number of staff. The Consultative Committee on Common Services, whose chairmanship rotates annually among the chiefs of administration of the three organizations, provides policy direction and overall management of the planning and implementation of common services arrangements at the Vienna International Centre. Over the years, additional groups have been established in specific areas.

21. An example of the ongoing cooperation among members of the Consultative Committee on Common Services is the jointly financed recruitment of a consultant in mid-1996 to do a study of cost-sharing of common services at the Vienna International Centre. The consultant found that, though the existing arrangements for allocating costs were complicated and involved many different statistics and formulas, the original agreements appeared to have provided an arrangement that has met the requirements of the major occupants over more than 10 years and that accounting information was transparent and readily available.

22. In March 1997, the provisional technical secretariat of the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO) commenced operations at the Vienna International Centre. It was provided with personnel and procurement services by the United Nations Office at Vienna for an initial six months. The arrangement was not continued in 1998, in part because the Preparatory Commission wished to streamline and tailor the United Nations Staff Regulations and Rules to serve its specific needs as a comparatively small, non-career-based organization, operating from one central location. As has been the trend among international organizations, once the Preparatory Commission expanded operations, it concluded that it would be better to develop its own in-house functions in those areas.

23. In 1998, the Preparatory Commission and the United Nations Office at Vienna concluded an agreement specifying conditions for services to be provided in the areas of security and safety, communications facilities and services, computer support services, central facilities and garage services. The agreement provides for the establishment of a joint working group to review its operation quarterly or at the specific request of one of the parties. The Office at Vienna also provides conference services, including translation, interpretation, document reproduction, meetings servicing and related services to the Preparatory Commission. In 1998, the memorandum of understanding on common services between the United Nations Office at Vienna, IAEA and UNIDO was revised to provide for the participation of the Preparatory Commission.

24. Notwithstanding the existing arrangements at the Office at Vienna, the Office of Internal Oversight Services found that there was room for expanding common services, particularly in areas such as procurement, travel, personnel services and language services (specific recommendations are given in relevant sections of the present report).

25. The Office of Internal Oversight Services was impressed with the efforts of the United Nations Office at Vienna to improve the efficiency and cost-effectiveness of its central support services and considered its "year in review" exercise a best practice. Thus, both common services and central support services at the Office were found to be organized and running well. However, inasmuch as the Secretary-General's reform programme includes the streamlining of the administrative costs of the United Nations, the Office of Internal Oversight Services is gravely concerned about the fact that all three organizations in Vienna, IAEA, UNIDO and the United Nations Office at Vienna, have full-fledged divisions of administration, each with its own human resources, financial and general support services. IAEA also has a full conference services component, with the exception of interpretation services, which are provided by the United Nations Office at Vienna. The Office provides conference services to UNIDO. Although many support services are shared, the administrative components remain separate. The Office of Internal Oversight Services believes there is a need for a critical review of the total administrative and support costs at the United Nations Office at Vienna in relation to the costs of the actual operations of the United Nations at Vienna, with emphasis on possible use of the existing administrative infrastructure of IAEA, the largest organization in the Vienna International Centre, to reduce support costs for the United Nations Secretariat.

III. Common services areas reviewed

A. Legal services

26. *The Office of Legal Affairs provides central legal services for the Secretariat and other United Nations organs and, in this capacity, advises them on questions of international and national, public, private and administrative law.* In this respect, the Office of Legal Affairs provides legal support services to principal and subsidiary organs of the United Nations, including peacekeeping, peace-enforcement, humanitarian and other missions; all departments and offices in the Secretariat, including offices away from Headquarters; the separately administered and funded subsidiary organs of the United Nations (UNICEF, UNDP, UNFPA, the United Nations Office for Project Services and their field offices), international organizations and treaty bodies institutionally linked to the United Nations; Member States; and intergovernmental organizations. *These services are provided not simply for the convenience of the user entities, but more broadly to ensure a uniform and consistent application of the law within the Organization, thereby protecting its interests and minimizing its financial liability. Thus, legal services stand apart from other common services and, therefore, are treated somewhat differently within the Task Force on Common Services from those other services.*

27. *The Office of the Legal Counsel, the General Legal Division, and the secretariat of the United Nations Administrative Tribunal provide central services as set forth below.*

28. *The Office of the Legal Counsel provides advice on legal issues and legal regimes arising out of the peacekeeping activities of the Organization and the*

resolutions and decisions of the principal and subsidiary organs of the United Nations; negotiation and implementation of host country, cooperation and other agreements, including UNDP Standard Basic Assistance Agreements and UNICEF Basic Cooperation Agreements; ensuring respect for the privileges and immunities of the United Nations, its officials and experts on mission; and review and application of rules of procedure and questions concerning representation and credentials. The General Legal Division provides advice on the interpretation of the Charter of the United Nations, rules of administrative law of the Organization, international private law and United Nations resolutions and regulations, legal aspects of programmes and activities in which the Organization is engaged and the drafting of international conventions and agreements, resolutions and regulations; it also provides legal advice to United Nations voluntary funds and programmes in connection with operational activities in the economic and social fields, including the interpretation of their mandates, regulations and rules, preparation and negotiation of standard texts of instruments and advice on institutional modalities for cooperation in operational activities with other organizations of the United Nations system, Governments and other entities. The United Nations Administrative Tribunal considers appeals against administrative decisions affecting staff of the United Nations Secretariat, the voluntary funds and programmes, including the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) as well as staff of the International Maritime Organization (IMO) and the International Civil Aviation Organization (ICAO), which have accepted its jurisdiction.

29. In April 1996, as a mechanism for the reimbursement by the funds and programmes for legal services provided by the Secretariat, a working group, comprising the Office of Legal Affairs and UNICEF, UNDP, UNFPA and the United Nations Office for Project Services, was established in New York. The dual objectives were to provide the legal support that the user entities desire to achieve their mission objectives and to assist them in protecting against and minimizing any risks of liability, while at the same time protecting the interests of the United Nations. Given the existence of the working group, the Working Group on Legal Services was discontinued pursuant to a general agreement that the enhancement of common services in the legal domain would be addressed within the already existing forum.

30. The working group reviewed and clarified the scope of services to be provided by the Office of Legal Affairs to user entities, including responses to requests from the field, prioritization of requests, outposting of lawyers and exchanging personnel. The members of the Group continue to meet regularly and there is general agreement that the institutionalization and formalization of consultations has, at least for the time being, deflected proposals by some separately funded bodies to create separate legal offices. Furthermore, in order to reply to requests for advice in a timely manner within the limited human resources of the General Legal Division, and in view of the wide portfolio of matters on which the General Legal Division provides advice, the Division has established a tracking system. The system allows the attorneys in the Division to monitor whether requests for advice have been met. This new tracking system has served as a reliable tool in managing the personnel resources of the Division.

31. In keeping with his role as the Legal Counsel of the Organization, the Under-Secretary-General for Legal Affairs convenes annual meetings of the legal advisers of the organizations of the United Nations system and represents the United Nations at such meetings. Matters of common interest are raised, for example Administrative Tribunal and personnel questions, participation of international organizations in competitive bidding and third-party settlement of disputes.

32. With the aim of improving its efficiency and effectiveness as a central support service within the United Nations, including responding to clients' complaints about delays in receiving advice and assistance, the Office of Legal Affairs has implemented a number of administrative and institutional reforms. These include reorganization of divisions; formal procedures for setting priorities and monitoring at regular monthly meetings with clients; establishing a continuing legal education programme for its staff to keep abreast of developments in, for example, the financing, insurance, copyright and trademark and arbitration fields; playing a larger role in the selection and training of legal officers for peacekeeping missions and establishment of a time-keeping system.

33. The United Nations Office at Geneva has one Legal Liaison Officer in the Office of the Director-General, whose specific function is to maintain liaison with and report to the Office of Legal Affairs at Headquarters. The Officer provides a central legal service to the United Nations offices and departments located in Geneva, UNICEF and UNDP. With one legal officer providing all in-house requests for legal advice at the United Nations Office at Geneva, no capacity for shared legal services exists. In any event, each of the specialized agencies at Geneva has its own legal service with the required expertise in the agencies' specialized fields.

34. At Vienna, there is a Legal Liaison Officer for the United Nations Office at Vienna, legal officers for the United Nations International Drug Control Programme and the International Trade Law Branch, which is part of the Office of Legal Affairs and services the United Nations Commission on International Trade Law. *The Chief of the International Trade Law Branch and his staff report directly to the Legal Counsel in New York.* Both UNIDO and IAEA have expressed preference for maintaining separate legal services because of the specificities of each organization's activities.

B. Financial services

35. The review of financial services focused on payroll, banking and treasury.

36. At United Nations Headquarters, the payroll system is managed by the Accounts Division as a long-standing common service provided by the United Nations to UNICEF, UNDP, UNFPA and the United Nations Office for Project Services. The United Nations bills these organizations for services provided. The conversion of the current payroll system to the Integrated Management Information System (IMIS) Release 4 is expected to be in place by August 1999.

37. The Accounts Division also provides a common service to the four agencies located in New York with respect to arrangements relating to tax reimbursement to the host country.

38. In the past year, in an effort to improve client satisfaction, the Division established regular monthly meetings with heads of the payroll sections at UNICEF, UNDP, UNFPA and the United Nations Office for Project Services. Complaints regarding costs were also addressed through regular meetings with finance officers. Within the United Nations, internal procedures to prioritize processes on an urgent need basis have been established in respect of payment of installation and education grants as well as lump-sum home leave entitlements. The time required to process payments on separation improved when the Division started communicating, in writing, with executive offices, rather than orally as in the past, on problems encountered.

39. The United Nations Treasury has focused on identifying and disseminating best practices in ensuring the timely receipt and safe custody of cash resources, increasing the earnings potential of funds, enhancing control mechanisms and optimizing cash concentration benefits, as part of its efforts to expand common services in New York.

40. The Working Group on Financial Services at New York consists of the treasurers/controllers of UNDP, UNICEF, UNFPA and the World Food Programme (WFP) working to harmonize and improve treasury procedures and enhance common services in the following areas: payroll, short-term investments, establishment of bank accounts/banking arrangements, payment systems (cheques and electronic funds transfers), cash transportation, foreign exchange management and infrastructure, including information systems. Shortly after beginning their work, UNICEF, UNDP and the United Nations treasurers agreed to consult with one another to ascertain interest in an inter-organization transaction at the United Nations operational rate, prior to purchasing foreign exchange from a commercial source. The Working Group has produced two documents, "Best Practices for the Control of Cheque Issuance", which summarizes key controls and procedures for safeguarding check stock and issuing cheques for all staff entrusted with the responsibility of signing cheques against accounts of the United Nations, and "Best Practices for Offices Using Banknotes", which describes best practices for offices using cash and has been issued as a Security Guideline to be included in the Security Operations Manual, and which contains operational instructions and guidelines for use by officials involved in security management at United Nations offices all over the world. The Treasurer of the United Nations has directed that any office under the management of the United Nations which disburses US$ 100,000 equivalent or more per month in cash, is required to establish cash-handling procedures incorporating these best practices to the maximum extent possible. The two documents are especially relevant to peacekeeping and field operations and their issuance is one of the positive outcomes of the work done by the Working Group thus far.

41. The Working Group was less successful however in reaching consensus with regard to the United Nations Treasurer's efforts to promote common, that is shared, investments with a transparent accounting system. Both UNICEF and UNDP appear in need of more solid proof that fully transparent and consistent accounting procedures are in place for shared investments and that tangible benefits will be derived from the proposed arrangement. In this connection, the Treasurer informed the Office of Internal Oversight Services that efforts have been made in the past few years to strengthen the efficiency and reliability of the staff in that office, which had improved the image of the Treasury within the Secretariat and with the funds and programmes.

42. Budgetary, accounting, payments and treasury services at the United Nations Office at Geneva are provided by the

Financial Resources Management and Electronic Service of the Division of Administration. The Treasury's functions include receipt and payment of funds, custody of cash, implementation of payments instructions and selection and management of short-term investments. The Finance Section, *inter alia*, maintains accounting and financial data under the various sources of funds; controls calculation and payment of salaries and other entitlement of United Nations staff in Geneva as well as in the field offices of the Office of the United Nations High Commissioner for Refugees, the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Centre; and prepares financial statements and status of allotment reports for submission to programme managers, Headquarters and auditors.

43. The determination of reimbursement rates and reimbursement policies for common services provided by the United Nations Office at Geneva fall within the purview of the Programme Planning and Budget Section. The inspection team focused on that issue: firstly because of the wide range of services rendered by the United Nations Office at Geneva — payroll, accounting, bank reconciliations and medical insurance, to name only a few, to an equally broad number of different entities — some 30 organizational units and 140 field offices — which include, among others, the Office of the United Nations High Commissioner for Human Rights, the Office of the United Nations High Commissioner for Refugees, the International Computing Centre, the United Nations Compensation Commission, the Joint Inspection Unit, the Consultative Committee on Administrative Questions, UNICEF and UNDP, as well as two specialized agencies; secondly, in view of complaints received from the clients of the United Nations Office at Geneva, for example the Office for the Coordination of Humanitarian Affairs, the Office of the United Nations High Commissioner for Refugees and UNCTAD, on the lack of a transparent, mutually agreed-upon policy between the entities receiving the services and the United Nations Office at Geneva as a provider. It was clear that the methodology of charging needed to be standardized, with workload factors disaggregated according to source of funding, that is regular budget or extrabudgetary. The Office of Internal Oversight Services was advised that over a year had passed since it was agreed to establish an inter-departmental working group to review the criteria used by the United Nations Office at Geneva to charge for their services, but no concrete action had yet taken place. For its part, the Office at Geneva felt that the reimbursement of expenditures incurred in respect of extrabudgetary funded activities required an extensive review.

44. With regard to the efficiency of the central financial support services, in early 1998 the Financial Resources Management and Electronic Service conducted a "year in review" exercise, which underscored initiatives that resulted in efficiency gains in 1997, for example receiving authority from Headquarters to make long-term investments of health insurance reserves, reducing the number of cheques issued by 33 per cent in favour of electronic transfers and holding competitive bidding for retail and organizational banking services to attain best returns. However, the Office of Internal Oversight Services was informed that delays in processing financial and budgetary actions were being encountered owing to the continued need to secure clearance from the Office of Programme Planning, Budget and Accounts at Headquarters in respect of various aspects of financial and budgeting procedures. Furthermore, there was a lack of consistency in authority delegated, with some departments reporting directly to Headquarters and others reporting through the Financial Resources Management and Electronic Service on financial matters.

45. Financial services to the United Nations Office at Vienna; liaison with the Office of Programme Planning, Budget and Accounts at Headquarters and with Member States on financial matters and contributions; and negotiating and administering cost-sharing arrangements for common and joint services between the organizations established at the Vienna International Centre are all rendered by the Finance and Budget Section of the Division of Administrative and Common Services.

46. The Finance and Budget Section does not provide any common financial service for the three other organizations with headquarters in the Vienna International Centre (IAEA, UNIDO, and the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO)). Recent efforts by the United Nations Office at Vienna to establish a common Request for Proposal for commercial banking services for the Office and the other three organizations have not yet been successful because of individual organizational interest in maintaining existing bilateral arrangements. Differing financial rules, budget cycles, currency and organizational arrangements would seem to preclude opportunities for common services with regard to accounts and banking. The preoccupation of the United Nations with the implementations of Releases 3 and 4 of IMIS also takes precedence in respect of achieving common financial services in the area of treasury and payroll. The Finance and Budget Section provides varying financial services to several extrabudgetary funded organizations located in the Vienna International Centre *and to their field staff, for example the Office for Drug Control and Crime Prevention, the United Nations Interregional*

Crime and Justice Research Institute, the United Nations Office for Project Services and UNDP.

C. Common procurement arrangements

47. The Working Group on Procurement in New York has recognized that the concept of common procurement services cannot be viewed simply as centralized procurement by one organization for others. Accordingly, the Working Group on Procurement is reviewing common arrangements, which include joint procurement actions; recognition by one organization of procurement actions taken by another organization for the same requirements; utilization of procurement services of other organizations; or drawing on contracts of other organizations.

48. To ascertain which procurement areas have potential for common arrangements, the Working Group on Procurement relied on data collected from New York and from the Inter-Agency Procurement Services Office in Copenhagen regarding umbrella agreements, standing offers, and the like, currently available throughout the United Nations system. The Inter-Agency Procurement Services Office is currently analysing the data to identify pilot or other opportunities for common arrangements to be carried out under memoranda of understanding among participating agencies; identifying existing umbrella-type or joint contracting agreements that may be further utilized and developed under such memoranda; and proposing for signature a standard inter-agency memorandum of understanding that provides the basis for common procurement arrangements. *The development of generic memoranda of understanding to facilitate the use of common initiatives by United Nations organizations has been completed and possible initiatives with other offices at Geneva, Nairobi and Vienna are being explored.*

49. *The Office of Internal Oversight Services was advised that the Working Group on Procurement had completed the analysis of initial data providing the basis for a joint office supplies contract for New York-based organizations. To date, the United Nations, UNDP and UNFPA have confirmed participation in the joint contract arrangement for office supplies. Ongoing analyses indicate other areas for possible common approaches, including leasing of photocopiers, purchasing of paper supplies, recycling of toner cartridges and freight-forwarding services. The joint Working Group on Procurement/Inter-Agency Procurement Working Group efforts are currently being pursued to review and prioritize work plans leading to the preparation of recommendations and draft common standard contracting documents.*

50. *The Sub-Group of the Working Group on Procurement, which is chaired by UNICEF, is reviewing procurement options in Copenhagen in such areas as contracting for various types of goods and services, the use of the World Health Organization (WHO) in-house printing facilities, as well as the use of UNICEF warehousing. This review is expected to be completed in mid-1999.*

51. An important accomplishment of the Working Group has been the development of Common Financial Regulations for Procurement, *approval for which has been obtained by UNDP and UNFPA from their Executive Board through the Advisory Committee on Administrative and Budgetary Questions. New common financial rules will soon be available for promulgation. The Working Group is also developing supplementary standards or code of ethics for procurement personnel. This involves the development of best practices and the streamlining of procedures needed to support the new procurement rules.*

52. The Sub-Group is undertaking a competitive selection process for a joint contract for the procurement of Headquarters office supplies. The lead organization for this joint venture is the Procurement Division, which is the largest buyer of such supplies.

53. A United Nations Common Supplier Database was launched in May 1998 as a joint venture of the United Nations and its funds and programmes, including some of the specialized agencies. The initial members of the Database were the United Nations, UNDP, UNICEF, UNFPA, WFP, IAEA, UNHCR, the United Nations Office for Project Services, the United Nations Office at Geneva, ITC, UNRWA and the International Labour Organization (ILO). The Steering Committee of the Common Supplier Database is chaired by UNICEF (Copenhagen), the Management Group by UNDP and the Inter-Agency Procurement Services Office, and operational support is also provided by them at Copenhagen and Oslo. The United Nations Common Supplier Database is expected to provide a single gateway for potential suppliers to the United Nations system and will permit the sharing of supplier information and performance capabilities among United Nations organizations. *Phase 1 of the Database with Internet registration and access has already been completed and is currently being reviewed by the Inter-Agency Procurement Working Group for adoption by all members of the Working Group on Procurement.*

54. As stated earlier, at the United Nations Office at Geneva, in the area of procurement, a Joint Purchase Service

has been established involving the United Nations Office and the specialized agencies. The current membership of the Service includes the Office at Geneva, WHO, ITU, the World Meteorological Organization (WMO), the International Bureau of Education and the World Intellectual Property Organization (WIPO). ILO was an original member but has since withdrawn. The purpose of the Joint Purchase Service is to enable the member organizations to pool the results of their experience and research and to coordinate their supply and purchase operations with a view to: (a) broadening the field of market prospects in order to discover new sources of supply and thus obtain better prices; (b) promoting the standardization of equipment, stationery, etc.; (c) reducing the time spent on such matters in each organization by assigning certain tasks being carried out at present by each organization separately to one organization; (d) obtaining lower prices from suppliers, especially by bulk ordering for various organizations as a whole; and (e) reducing the operating costs of various services by centralizing market prospection, publicity, sampling and correspondence. So far, the Service covers mainly office supplies and, with regard to some organizations, such as WHO, it provides for only a small share of the total purchases made.

55. A volume purchase agreement for information technology equipment such as computers and accessories has also been established within the United Nations Office at Geneva to enable participating departments to benefit from the advantages of equipment standardization, volume discounts or economies of scale, shorter processing time and faster delivery and better warranty services.

56. Some organizations have introduced revised procedures for requisition and bid distribution as well as for receipt and payment processing. This has resulted in faster procurement cycles through computerized tracing and processing. For productivity improvement and greater transparency, organizations have developed procurement systems contracts for the acquisition of standard goods based on global search arrangements and aggregate annual United Nations purchasing volumes.

57. In Vienna, each organization has its own procurement service provided by the General Support Section. The Office of Internal Oversight Services was informed that there were no efforts at the present time to include procurement as a common service, but that there were several areas shared between the United Nations Office at Vienna and UNIDO, for example travel agency agreements and the purchase of photocopying paper; and that UNIDO and IAEA had a joint agreement for the purchase of equipment for their field offices.

D. Printing services

58. The Department of General Assembly Affairs and Conference Services (DGAACS), at its plant in the North Lawn Extension at Headquarters, provides printing services to various departments in the United Nations Secretariat as well as to locations away from Headquarters and to overseas missions. The plant has the capability of printing products ranging from single-page parliamentary documentation to multi-colour posters. One example of work performed at the internal printing facilities is the "Blue Books" series, which was printed almost entirely at the printing plant, including the multi-colour, laminated covers.

59. Production and delivery deadlines for special printing services are determined by agreement between the requesting office, the printing plant, the Distribution Section and the Documents Control Section. There is a well-established mechanism for the coordination, scheduling and monitoring of work in progress and meetings, which are open to representatives of client units, are held for these purposes among processing units. With the installation of upgraded equipment and technology, the printing plant now has the ability to produce high-quality publications and to ensure the cost-effectiveness and timeliness of internal printing. It is without doubt that the criteria for determining whether a publication is produced by the internal printing facility or by external vendors should be the cost, timeliness and quality of printing. *The Department of General Assembly Affairs and Conference Services has developed a cost-accounting method that adequately covers the cost of materials and staff time devoted to the production of specific jobs.* Client departments and offices in the Secretariat have expressed general satisfaction with the timeliness and quality of the printing services provided by the Department.

60. The Department of General Assembly Affairs and Conference Services has provided a text describing the services that it can provide to clients to the Working Group on Printing of the Task Force on Common Services. UNDP has indicated that, while it is committed to outsourcing its printing requirements for the next two years, it is willing, depending on cost and time comparisons, to consider using the services of the United Nations print shop for the printing of forms. Although the United Nations Office for Project Services has indicated that most of its publications and documents require technical expertise and equipment not available at the United Nations print shop, it is willing to consider bids from the United Nations for printing jobs that may fall within the United Nations technical competency.

61. UNFPA has its own in-house capacity for printing documents and has indicated that its outsourced print jobs tend to be complex and to include the requirement for design work and the management of both multiple language versions and distribution. It is anticipated that there will only be negligible demand for United Nations printing services given that the services likely to be offered by the Secretariat would not provide the needed expertise for the printing of UNFPA materials.

62. *The Working Group on Printing Services is making an advocacy effort to establish a possible common service that can compete for printing requirements of other user organizations that have made recent efforts to review and improve their internal processes. As a service to all user organizations, the Working Group is exploring the possibility of issuing a reference user brochure entitled "Pitfalls of local printing" containing generic guidelines and what to look for in printing services. The brochure will also target programme managers/officers in both regional and country offices.*

63. There are, at least, six printing/reproduction facilities among the United Nations family of organizations in Geneva. In the context of efforts being made by all organizations to cope with resource constraints, it has been considered advisable to explore whether arrangements for sharing workloads or for adopting common rental and purchasing practices offered opportunities to increase efficiency and cost-effectiveness. The exploratory efforts involved ILO, ITU, the United Nations Office at Geneva, WHO, WIPO and the World Trade Organization (WTO), and it has been concluded that great potential for establishing shared printing/reproduction facilities in Geneva exists. The advantages of such an arrangement would be that economies of scale could be achieved through joint rental agreements on photocopying, bulk-purchasing of photocopying paper as well as the capability to do more in-house printing in view of the equipment each organization would bring. The common opinion was that any viable proposal for shared printing facilities must have significant cost advantages and must guarantee the quality and delivery requirements of user organizations.

64. Some organizations have expressed the concern that a common printing service might not be capable of coping with peak workloads, especially for the production of documentation for governing bodies in session and that timeliness and quality would be jeopardized. This concern essentially relates to the potential situation that a large-scale common services arrangement may be more bureaucratic and, therefore, the benefits of common services may suffer. With this in mind, there seems to be a consensus that shared agreements but separate facilities run by each organization should be the first step towards a common services phenomenon, in particular agreements on photocopiers and paper, which are two essential and costly items for all organizations.

65. The United Nations family of organizations in Geneva has three printing and reproduction choices: in-house, outsourcing, shared facilities or shared agreements. The choice, based on comparative cost analysis, could be one or a combination of them. A few studies have been proposed regarding the printing facilities at the United Nations Office at Geneva and, in June 1998, the Inter-Agency Meeting on Language Arrangements, Documentation and Publications (IAMLADP) discussed the issue. The challenge seems to be how to achieve these goals while ensuring that the operational commitments of the individual organizations are met. *A proposed plan of action with the aim of establishing common services among all agencies in Geneva within the next 10 years has already been developed.* The approval and implementation of such a plan of action by participating organizations will certainly have a positive impact on the use and management of printing facilities in Geneva. *It should be mentioned in this respect that a cost-accounting approach has already been instituted, based on the approach used by Headquarters, with some modifications to take into account the specific needs and requirements in Geneva.*

66. Common printing services for all three organizations at Vienna are provided by the IAEA Printing Section. The Printing Section commenced a modernization programme over the past two years, investing in modern and high technology equipment for both technical and economic reasons. "Printing on demand", that is sending documents electronically to the Printing Section for further processing, is now available. The costs of the print shop (excluding distribution) are charged to user agencies based on a rate computed by dividing the total IAEA budget for printing services by the estimated number of page impressions of each organization. The rate for 1996 was about US$ 0.03 per page impression. A comparison of this rate with those charged by comparable facilities in other international organizations is quite favourable. Agencies are monthly charged an amount equal to one twelfth of the sum of their estimated copies multiplied by the printing service rate. In addition to the monthly charge, users must pay the actual costs of overtime incurred and the costs of external printing in excess of an agreed quota. The system was designed to enable the Printing Section to finance its fixed costs, notwithstanding changes which might take place during a fiscal year in the actual number of page impressions. In effect, each user guarantees a certain workload. Many

similar arrangements exist in various national, public and private sector printing establishments. IAEA believes that considerable savings for all organizations would be attainable if the United Nations Office at Vienna and UNIDO would fully utilize the services offered by the Printing Section instead of continuing to run their own copying equipment, which involves high maintenance costs. *The United Nations Office at Vienna agreed that the common printing services could function with lower unit maintenance costs, but explained that the reason for continuing to run copying equipment on behalf of the Office at Vienna and UNIDO relates to deadlines for the delivery of parliamentary documentation to delegations within tight time-frames.*

E. Facilities management

67. Since its formation, the Working Group on Facilities Management of the Task Force on Common Services has undertaken a preliminary testing of the use of electronic mail to exchange information on improved management facilities, including prompt identification of vacant space and its efficient use. It has created sub-working groups on: the technological elements of facilities management; common premises; energy savings and assets management. A major achievement of the Working Group on Facilities Management is the acquisition and use of the United Nations Secretariat facilities management software, Aperture/Link, by UNDP, UNFPA and UNICEF. The United Nations is providing assistance to these organizations in view of its experience with the system for several years.

68. The Sub-Working Group on Energy Savings emphasized the relevance and importance of conducting a professional energy audit by all of the United Nations organizations to identify opportunities to save on energy costs. In light of this, the Secretariat completed an energy audit and carried out an exercise in retrofitting within the Secretariat building, which is expected to result in savings. UNICEF is planning to retrofit fixtures at its warehouse facility, which should also yield significant savings. Other issues considered by the Sub-Working Group include the involvement of United Nations agencies in establishing criteria for "green" office supplies procurement; budget incentives to save energy; and the collective purchasing of electricity by United Nations agencies to maximize savings.

69. The Sub-Working Group on Asset Management, among other things, discussed a common approach for disposing of obsolete personal computers within the Organization. Two options considered were donating the obsolete equipment to deserving non-profit organizations in the New York metropolitan area or selling the equipment to staff. The latter would entail assigning fair value to the computers and instituting practical procedures with a minimal administrative burden. The Sub-Working Group also discussed common office furniture standards and arrived at a workable, cost-effective approach, which is currently being applied both to furniture standards and manufacturers. Applying this approach and taking advantage of favourable contracts for office furniture already negotiated by the Secretariat promises to yield tangible savings for the funds and programmes.

70. Although there are no formally established working groups on common services in Geneva, there are ongoing discussions between the United Nations Office at Geneva and the agencies located there to address the issue of facilities management as a common service. Discussions have also been held with a Swiss foundation (Fondation des Immeubles pour les Organisations Internationales) that manages buildings provided to international organizations, to look into the modalities for the exchange of information and experience on the best methodology that would lead to the establishment of a mechanism for better buildings management and planning of office space within the Office at Geneva. At present, the Office provides common services to all the buildings located inside the Palais as well as to the other additional surrounding buildings which include the Office of the United Nations High Commissioner for Refugees, UNICEF, the Geneva Executive Centre, Petit-Saconnex and the United Nations Compensation Commission. The services provided by the United Nations Office at Geneva to all these premises include lighting, air-conditioning, heating, sanitation installations and elevator service as well as general maintenance, construction and renovation. Billing arrangements have been established to reimburse the Office for the use of space by entities governed by extrabudgetary funds. However, there has been some reluctance to comply with the reimbursement commitments, which proves that there is need for clear, transparent cost-sharing arrangements.

71. Facilities management is a common service at Vienna. Under the 1977 Memorandum of Understanding signed by the United Nations, UNIDO and IAEA, responsibility for buildings management services was given to UNIDO. That responsibility includes ensuring safe and reliable operation, maintenance and repair of grounds, buildings, installations and equipment of the Vienna International Centre complex in a timely, economical and efficient manner. The General Support Section of the United Nations Office in Vienna manages and administers support services and coordinates

space planning within the Office, *including, in consultation with other Vienna International Centre organizations, the use of common space at the Centre,* and maintains liaison with UNIDO on buildings management.

72. In December 1997, in its budget submission to its General Conference relating to buildings management, UNIDO indicated that it would no longer budget for staff or buildings operations costs as of January 1999. At the Industrial Development Board meeting held in November 1998, the Director-General announced his intention to pursue a realistic course of action to further improve the cost-efficiency of buildings management service operations and simultaneously to reopen negotiations with the executive heads of other Vienna-based organizations to explore the possibility of establishing a centralized common service in future. At the time of the inspection, discussions were ongoing among the three parties concerned as to which course of action to follow. *The consensus in the Consultative Committee on Common Services is that, should UNIDO relinquish its responsibility for buildings management service under the Memorandum of Understanding, the host country should be asked to assume the service on the understanding that it would be reimbursed by the occupants through payment of an economic rent, (rather than the current one Austrian schilling symbolic rent plus some US$ 44 million per biennium in maintenance and operating costs).* In the view of the Office of Internal Oversight Services, this would indeed be the most rational solution of the issue.

F. Travel and transportation services

73. Travel and transportation services are provided, in large measure, as common services by the United Nations Secretariat to funds and programmes. In New York, the Travel and Transportation Service of the Office of Central Support Services is responsible for negotiating all contracts with preferred airlines (including on behalf of UNDP, UNICEF, UNFPA and the United Nations Office for Project Services), issuing laissez-passers and arranging visas, coordinating shipment and insurance of household goods of staff during transfers and handling host country issues such as obtaining visas and reporting to authorities on all staff changes at Headquarters. The Office of Internal Oversight Services noted that direct negotiations with airlines by the Travel and Transportation Service on behalf of the Secretariat and UNDP, UNICEF, UNFPA and the United Nations Office for Project Services provide a cost-effective common service by securing substantial discounts from some 28 air carriers, both up-front for specific routes and also back-end discounts depending on the annual travel volume. The Travel and Transportation Service also operates and manages official vehicles, carries out bulk mail deliveries, receives and inspects goods delivered by commercial vendors, controls and issues office supplies and maintains stationery forms. Arrangements at the United Nations Office at Geneva are similar, with the Travel Office also contacting the different airlines directly to save costs.

74. The Working Group on Travel and Transportation of the Task Force on Common Services in New York has *focused on harmonizing the application of air travel standards and developing a model travel agency contract that may be emulated by duty stations worldwide to procure travel services. Documents on travel and agency contracts are being circulated to other duty stations and field offices on request.* The possibility of introducing an Internet-based travel booking, whereby staff members would make their own bookings and the travel agency would only review the reservations and issue the tickets, is being explored. Such an arrangement could facilitate communications and speed up the process. *The Travel and Transportation Service is monitoring the process of evolution of various booking tools on the Internet very closely.*

75. In Vienna, as a common service, the United Nations Office in Vienna issues laissez-passers to staff of all United Nations organizations located in the Vienna International Centre on a cost-recovery basis. Each organization has its own travel and transportation office. The United Nations Office in Vienna and UNIDO use the same travel agency (American Express) for official travel, while IAEA and the Comprehensive Test Ban Treaty Organization use a different one (Rosenbluth). The view in Vienna is that the presence of different travel agencies in the Vienna International Centre is advantageous as competition among them ensures the best prices and services. Customer satisfaction surveys with regard to official travel are included in the Office's contract with the travel agency. IAEA's contract with Rosenbluth provides an incentive to find the least costly flights, as the agency is paid for full operating costs plus a share in the savings generated through the purchase of the lowest fare tickets. With a current volume of about $13 million in travel procured per year through the contract with Rosenbluth, the equivalent of a 6 per cent discount on ticket prices was obtained by IAEA. By piggybacking on IAEA's agreement, the Treaty Organization benefited from those favourable conditions.

76. The United Nations Office in Vienna and UNIDO have shared arrangements on the use of official cars. While each organization has its own cars and drivers, there is only one

dispatcher who schedules use of the available means of transportation to best advantage. IAEA is discussing possible participation in the arrangement.

G. Archives and records management

77. The Archives and Records Management Section is responsible for establishing policies and procedures for records and management, both in hard copy and electronic form, for the Headquarters Secretariat and its predecessor bodies, the archives of units away from Headquarters and those of funds and programmes, such as UNHCR, UNICEF and UNCTAD. Examination of the scope of common services provided in this area demonstrated that there is potential to expand these services to other duty stations and organizations, which could result in savings and improve the delivery of mandated activities, but that these possibilities remain largely unexplored.

78. Currently the following services are provided as common services in New York: storage of *paper-based* archival records in New York for UNICEF and UNFPA, but not for their administrative temporary records (the United Nations Park Avenue facility is reimbursed proportionally for the space); and sharing of technical and professional research. The New York area staff responsible for these matters meet on issues of mutual importance such as market research, procurement for off-the-shelf management software and developing and renewing requirements. Cooperation between the United Nations Archives and Records Management Section and the Task Force on Common Services Working Group on Archives and Records Management projects led to a Statement of Work for a Strategic Plan for a United Nations Digital Archive.

79. Outsourcing arrangements of several Working Group participants in New York are reflected in 7 of the 19 functions/services identified in the matrix below. The level of service and adequacy of implementation for each function may differ considerably from one organization to another even if both indicate that the function is provided. This list requires further refinement in order to make valid comparisons.

80. The matrix below shows that in New York, the United Nations Office for Project Services and UNDP outsource storage of their records, including highly sensitive ones. In addition, UNDP outsources records retrieval. Both the Office for Project Services and UNDP consider that outsourcing the management of archives and records meets their own needs and has proved to be cost-effective.

81. The forthcoming expiration of the lease on the United Nations archives and records facility provides an opportunity to consolidate the management of archives and records and make a thorough cost-benefit analysis of storage methods. Increased delegation of authority to *appropriately trained* managers by the Secretary-General regarding storage and disposal of their records and archives could be a means of ensuring that they assume responsibility for their own improved efficiency and effectiveness and encouraging them to participate in an assessment of the economies of scale that might be realized through a shared agreement among all organizations. *Because of other pressures on line managers, this delegation of additional responsibility would require periodic monitoring and/or certification by appropriate archives and record management authorities to assure practices leading to trustworthy record-keeping and complete archives.*

82. In its report, the Working Group on Archives and Records Management made three major recommendations: the establishment of a Coordinating Committee on Archives and Records Management to coordinate expertise and to establish standards and policies related to archives and records and to coordinate with offices away from Headquarters; the development of an Archives Research Centre as a common service intended to reduce costs, improve protection and accessibility of archives and records and study storage alternatives; and the development of a common strategy for long-term protection and accessibility of electronic records, including digital archives. At the time of the inspection, there was an agreement with the Executive Coordinator for Common Services, *that the members of the Working Group would act as a functional coordination group.*

83. The main constraints identified for the implementation of the Working Group's plan are: inadequate financial and staffing resources; lack of official commitment of participating agencies to project proposals; and unavailability of a site for a common archives research Centre. The proposed establishment of a joint partnership with a non-United Nations third party to assist in outsourcing commercial storage of non-core records has been referred to the Office of Legal Affairs for policy ruling in view of the need to keep the inviolability of certain United Nations documents.

Function/service	*United Nations*	*United Nations Office for Project Services*	*UNDP*	*UNICEF*	*UNFPA*
1. Records storage — archival, permanent, including highly sensitive materials	X	X outsourced	outsourced	X United Nations archives	United Nations
2. Records storage — administrative, temporary	X outsourced	X outsourced	outsourced	X	outsourced
3. Retrieval — internal	X	X outsourced		X	
4. Research — external	X		N/A	X	
5. Appraisal/retention scheduling	X	X	X outsourced	X	X
6. Establishing/revising record-keeping policies for departments/offices	X	X	X	X	X
7. Setting rules for public access to records	X		X	X United Nations-led	X
8. Setting rules for declassification of records	X		X	X United Nations-led	X
9. Promulgating information security standards and procedures	X			X United Nations-led	

84. At Geneva and Vienna, every organization keeps and stores its own records. There is no common system. Moreover, heads of organizations and their governing bodies feel the need to keep sovereignty over their documentation. However, it is recognized that economies of scale could be realized through a shared agreement between United Nations organizations in respect of administration and storage of records.

85. Policies on access and preservation of documents are available system-wide, areas addressed include: rules for public access to United Nations records and archives; access and declassification of security-classified records; and identification of archival records and authorization for destruction of records. However, their implementation is fragmented and inconsistent in the United Nations system and the specialized agencies have their own set of procedural rules relating to archives and records management functions within their organizations.

86. *The Office of Internal Oversight Services was informed that the United Nations Archives and Records Management Section has experienced a number of difficulties in exporting its United Nations standard record-keeping software to high-profile United Nations Secretariat offices to assure integrated electronic and paper-based records management and the development of a trustworthy system. Varying levels of compliance confirm that United Nations Archives and Records Management Section advocacy cannot succeed without senior management intervention and commitment from client offices to systems recommended. A digital archive is the logical extension of trustworthy electronic record-keeping. The United Nations Archives and Records Management Section and the Working Group on Archives and Records Management have cooperatively developed a detailed statement of work and a Request for Proposal for a strategic plan for a digital archives, but funding constraints are being encountered.*

H. Security and safety services

87. The role of security and safety services has become more crucial because of the increased safety risks for the Organization. In New York, the Security and Safety Service of the Office of Central Support Services is already providing common services to the nine different sites where the offices of the United Nations Secretariat, UNICEF, UNFPA, UNDP and the United Nations Institute for Training and Research (UNITAR) are located.

88. In Geneva, security as a common service has been expanded to include other international organizations. At present, the United Nations Office at Geneva Security Section covers the Palais des Nations as well as buildings located outside it, including: the Petit Saconnex annex, the Geneva Executive Centre, UNICEF, UNHCR and the Palais Wilson. Moreover, the Security Section is currently cooperating with ITC and the United Nations Compensation Commission at the International Conference Centre in nearby Cointrin to provide security. Twice a year, the United Nations Office at Geneva provides security services to the general conferences of ILO and the WHO for which

additional staff is recruited. Security services are also provided for international conferences as needed. The Security Section's Operations and Control Centre provides a link to all client buildings, which allows for intervention teams to be dispatched to assist in security emergency situations. Internationally, the United Nations Office at Geneva provides technical assistance to United Nations offices in Bonn, Germany (United Nations Volunteers and United Nations Framework Convention on Climate Change), for training, uniforms and investigations. In an example of inter-agency cooperation, the Food and Agriculture Organization of the United Nations (FAO) security service recently sent security officers to Geneva to learn from the experience of the security staff there.

89. Security and safety services to the organizations located in the Vienna International Centre are provided by the United Nations based on the cost-sharing formula reflecting the number of staff and the space occupied by the organizations. Because the Comprehensive Nuclear-Test-Ban Treaty Organization does not provide any common service to other organizations in the Vienna International Centre, a 5 per cent overhead charge was added to its share of the costs. The Chief of the Service is appointed by mutual agreement between the United Nations Office at Vienna, UNIDO and IAEA. Representatives of the United Nations Office at Vienna, the Security and Safety Service, IAEA and UNIDO's Buildings Management Service meet monthly to discuss relevant issues. Through such consultations, a number of efficiency measures were implemented during recent years such as a 50 per cent reduction in overtime in 1997. A working group under the Deputy Chief of the Service has been formed to propose measures to enhance its effectiveness and efficiency. The general level of client satisfaction with security service is high. It should be noted that a request for proposals to provide security and safety services had resulted in bids with marginally lower costs than those of the current management. However, because of the sensitive nature of the activities of organizations located at the Vienna International Centre, it was decided not to outsource security services.

90. The Office of Internal Oversight Services found cooperation among the three duty stations sufficient, with mutual advice and assistance provided expeditiously whenever necessary. It could be further enhanced by continuous exchange of best practices and the preparation of a "lessons learned manual" for such emergency situations that are not covered by existing manuals and instructions.

I. Human resources management, including medical services

91. The Working Group on Personnel Services, *established under the aegis of the Task Force on Common Services,* comprises representatives from a number of departments, UNDP, UNICEF, UNFPA and the United Nations Office for Project Services. The Working Group has developed an inventory of existing common services in the personnel area at Headquarters; reviewed those services with a view to identifying areas of possible improvement in quality and cost-effectiveness; and identified areas where common approaches are required and can be pursued. The Group's reviews were carried out with a view to making recommendations to ensure that services provided were cost-effective, of high quality and responsive to the needs of the various organizations.

92. The Group reviewed common services at Headquarters in the areas of medical services, staff counselling, including Visa Committee matters, language training, including language proficiency examinations, general service testing and compensation and remuneration policy. In discussions with service providers, the importance of two-way information between service providers and users was emphasized, as was the need for regular statistical reports on services provided to all participating organizations. Specific recommendations, some of which have already been implemented, included the reduction of the administrative workload of the Medical Services Division at Headquarters and delegation of administration, to the maximum extent possible, to concentrate resources on professional medical services.

93. The Working Group has also established sub-groups which have produced recommendations regarding a common approach towards entitlements of staff at high-risk duty stations and the lump-sum travel option. With regard to the latter, specific proposals have been made to the Task Force on Common Services and the sub-group working on that subject is continuing to review other aspects of travel entitlements.

94. With regard to entitlements at high-risk duty stations, a sub-group has been established to prepare an inventory of entitlements for field personnel and to review them with a view to establishing common approaches to the extent possible.

95. With a view to facilitating the sharing of personnel, the Working Group on Personnel Services undertook a survey among the Office of the United Nations Security Coordinator, the Department of Peacekeeping Operations/

Field Administration and Logistics Division, UNDP, the United Nations Office for Project Services, UNICEF, UNFPA and WFP to: ascertain their definitions and practices relating to high-risk duty stations and to non-family duty stations; identify the various entitlements and incentive packages offered to field personnel, including the rationale for them; obtain their experiences and views regarding the challenges created by differing field entitlements and incentive packages offered by common system organizations; and solicit their recommendations. The Working Group has also discussed mechanisms to facilitate sharing of personnel among United Nations organizations and is coordinating with other groups tasked to consider this subject. It has also established linkages with the Working Group on Security and Safety with regard to common recruitment standards and training guidelines for security officers as well as with the Working Group on Travel and Transportation.

96. *The members of the Working Group consider that its activities to date, with a membership encompassing the Secretariat and funds and programmes, represent an important step forward in cooperation among New York-based organizations in the area of human resources management. In addition to sharing of best practices, progress has been made in enhancing coordination in the development of policies and coherence in their application.*

97. *The activities of the Working Group complements the ongoing reform efforts in the area of human resources management, which are an integral part of the Secretary-General's overall reform endeavour. The Secretary-General's report on human resources management reform to the General Assembly (A/53/414) describes the direction, current status and future actions proposed in the area of human resources management reform, including inputs derived from an expert task force established to advise the Secretary-General on priorities and strategies for change.*

98. The Office of Human Resources Management (OHRM) provides central support services to all departments in the United Nations. It establishes policies, procedures and practices for the management of the human resources of the Secretariat and for the development of conditions of service, consistent with the provisions of the Charter and directives of the General Assembly, and ensures that these policies are reflected in the United Nations Staff Regulations and Rules and other administrative issuances. It is responsible for, *inter alia*, planning and implementing the recruitment, placement, development and separation of staff of the Secretariat; managing human resources planning, the performance appraisal system, staff development and training and career counselling; conducting staff-management consultations; and developing and implementing a strategy concerning staff welfare and conditions of service.

99. As noted in paragraph 15 above, client departments and offices interviewed during the inspection expressed concern about the quality and timeliness of the services provided by the Office of Human Resources Management in respect of day-to-day administrative processes. In this regard, the Office of Human Resources Management needs to ensure that, in the course of working on major reforms in human resources management, the administrative services required by the staff at large and the departments and offices who rely on it, are not neglected. At present, the Office of Human Resources Management does not have a formal mechanism to determine client satisfaction with the services provided. Feedback is received through conversations, letters, memoranda and e-mail. It is essential for the Office to do a client satisfaction survey as a matter of urgency, to identify the problematic areas and to address them. The recent innovations by the Office of Human Resources Management, the cyber-forum, which provides for two-way communication between the Office and staff by e-mail, and *Human Resources Management Highlights*, which is available on the United Nations Intranet, are welcome efforts to increase transparency and keep staff abreast of changing circumstances affecting them directly. However, these efforts need to be supplemented with human resources management that is truly responsive to the needs of the staff. In response, the Office of Human Resources Management emphasized that programme managers needed to take responsibility for managing their human resources appropriately, and that some expectations from departments were beyond its control or capacity to perform. The Office of Human Resources Management further cited the restrictions imposed on human resources management by General Assembly resolution 51/226 of April 1997. However, that resolution reiterated, as does resolution 53/221, the General Assembly's support for the Secretary-General as Chief Administrative Officer of the Organization and for the integrity and independence of the international civil service. It also reaffirmed the authority and responsibility of OHRM to enforce recruitment, placement and promotion policies throughout the Secretariat. While acknowledging that criticisms of OHRM may not all be well-founded, the Office of Internal Oversight Services nevertheless believes that General Assembly resolutions 51/226 and 53/221 actually encourage OHRM to take a proactive role, in consultation and collaboration with programme managers, to improve the efficiency and timeliness of its centrally administered services and to enhance staff welfare. The Office of Internal Oversight

Services was also made aware of the work relating to reforms to shorten the average time to recruit staff, an area where enormous delays have occurred. Recruitment processes should therefore constitute the highest reform priority.

100. At the United Nations Office at Geneva, the Personnel Service is responsible for the human resources management of all offices of the secretariat and those of the funds and programmes, except for the International Trade Centre (see annex II). The United Nations Office at Geneva also provides training for all Geneva-based United Nations system entities. The Office of the United Nations High Commissioner for Refugees has full delegation of authority for human resources management. UNCTAD has full delegation of authority with regard to its own 200 series staff and is administering 200 series staff of the Economic Commission for Europe, the Office of the United Nations High Commissioner for Human Rights and the Office for the Coordination of Humanitarian Affairs. The Office of the High Commissioner recently signed an agreement with the United Nations Office for Project Services for the administration of their field personnel, which had previously been provided by the United Nations office at Geneva.

101. Efforts to reorganize the workflow in the Personnel Service at the United Nations Office at Geneva are ongoing. As at 1 January 1999, the Recruitment and Placement and the Personnel Administration Sections were merged into an integrated Human Resources Management service to enable clients to have only one contact person for all personnel services. A Quality Management Group has been established to improve current procedures. A staff rotation system among different functions in personnel services has also been initiated, and training to bring staff up-to-date in the use of information technology is under way.

102. In Vienna there are three different delegations of authority to the Director-General of the United Nations Office at Vienna and to the Executive Director of the United Nations Office for Drug Control and Crime Prevention. There is full delegation of authority with regard to General Service staff. The Appointment and Promotion Committee at Vienna is responsible for staff on regular and extrabudgetary funded posts up to the P-4 level. The Appointment and Promotion Board that was established in 1990 deals only with personnel on extrabudgetary funded posts, mainly from the United Nations International Drug Control Programme, which has delegation of authority for personnel management up to the D-1 level. In 1997, the United Nations Office at Vienna had asked for greater delegation of authority with regard to Professional staff on posts funded from the regular budget, but no reaction has been received as yet from Headquarters.

103. The Human Resources Management Section is developing a homepage that will serve as a channel for feedback from clients. Working relations with the Programme Support Service of the Drug Control Programme, which functions like an executive office at Headquarters, are good. Further review of the method for reimbursement for services rendered regarding management of personnel funded from extrabudgetary resources is required.

104. In July 1997, the United Nations Office at Vienna took over the provision of language training services from UNIDO, which abolished such training because of budgetary constraints. IAEA had decided to organize language training on its own in 1993 because it found at the time that it was more cost-effective than the common service, but is now reconsidering joint language training with the United Nations Office at Vienna.

105. In the course of inspection, complaints were voiced that central support services in the United Nations Offices at Geneva and Vienna lack a service-oriented attitude and are cumbersome and slow, especially in regard to recruitment. While the Office of Internal Oversight Services does not have comprehensive information to assess whether such complaints are representative, they certainly indicate that there is room for improvement in dialogue with clients and they deserve to be looked into and acted on by the management at Geneva and Vienna.

106. Medical services are provided as common services in all three duty stations, with different lead agencies: the United Nations in New York, WHO in Geneva and IAEA in Vienna. Direct costs of services are generally reimbursed to the providers based on the number of staff of each user organization. Overhead costs are usually not included in reimbursement schemes.

107. The delegation of authority to line managers should provide an opportunity for the Department of Management to review the organization of human resources management at the different duty stations in more detail. All three duty stations reviewed shared the view held by the Office of Internal Oversight Services that there is room to expand common support service arrangements similar to those already in place for medical and training services. Recruitment of general service staff who perform similar functions throughout the United Nations system, classification of posts and development and maintenance of rosters of qualified candidates were mentioned as areas that would lend themselves to joint approaches. In addition to possibly reducing the current duplication of support service

structures, and improving the quality of services such shared services would foster greater mobility of staff among duty stations and among the organizations of the United Nations system, a goal cited in the Secretary-General's report on the human resources management reform (A/53/414) and upheld by the General Assembly in section III, of paragraph 8, of its resolution 53/221. Possible user organizations could participate in the development of the process. Shared services should be constituted in a manner that would preserve the decision-making authority of participating entities in recruitment and human resources administration.

J. Integrated Management Information System

108. The purpose of the Integrated Management Information System (IMIS), as approved by the General Assembly in December 1988, is to develop an integrated system for the processing of, and reporting on, administrative actions at all major duty stations. The system is being delivered in steps referred to as releases. Release 1, comprising personnel applications, was installed at Headquarters in September 1993 and is currently in operation at all major duty stations of the Secretariat (Addis Ababa, Bangkok, Beirut, Geneva, Nairobi, Santiago and Vienna), as well as at ILO, UNDP and UNICEF. It is estimated that 27,000 staff of the United Nations common system are now administered through IMIS. An improved version of release 2 on personnel entitlements was implemented in April 1998 at Headquarters. By February 1999, it was operational at all United Nations duty stations, as well as at UNDP and UNICEF. Release 3, finance and support service applications, was first implemented at Headquarters in 1996. A major new release of the software (version 3.4.1) was implemented as of 1 February 1999. It also contains changes introduced to meet special requirements by UNDP. Versions 3.4.2 and 3.4.3 have been scheduled for implementation in May and June 1999. The new release includes enhancements to facilitate the processing of transactions and to facilitate implementation in offices away from Headquarters during 1999 (the United Nations Office at Vienna, the Economic and Social Commission for Western Asia and the Economic Commission for Latin America and the Caribbean) and by August 2000 (in the remaining four offices). *Version 3.4.4 is scheduled for implementation of the year 2000 version of Sybase 11.9 in July 1999.* The main contractor continues to work on releases 4 and 5, payroll and system operations. Implementation of those releases will be undertaken at Headquarters in September 1999 and in all other duty stations by August 2000.

109. IMIS underscores the advantages of the use of common services by United Nations organizations. It was estimated that ILO, UNDP and UNICEF would each have had to spend *a considerable amount of money* to set up a comparable system had they not been able to use the one developed for the Secretariat. The Secretariat has also benefited from the further development of certain features of IMIS for the purposes of, and financed by, other user agencies, which were made available to all organizations.

110. A study undertaken by two independent experts during July 1998 at the request of the General Assembly addressed the issue of the creation of a common service with other user organizations for the maintenance of IMIS. A further study was initiated in mid-October 1998 within the framework of the Task Force on Common Services to prepare a comprehensive report outlining possible alternatives for the creation of such a common service. The report addressed the governance structure for determining future systems development and implementation strategies, incremental resources needed to supplement the existing United Nations maintenance team so that the current single client focus setup could evolve to a multiple client-based setup, a cost-sharing methodology to support the activities of the Common Service and methodologies for managing the development and implementation process similar to the processes used by software companies.

111. The independent experts also recommended that a transitional maintenance strategy for placing the central IMIS maintenance unit within the IMIS project team should be adopted until an inter-agency IMIS governance framework was in place. They further recommended that the IMIS project should be jointly funded to undertake the transitional maintenance strategy, plus any maintenance requirements funded by UNDP, UNICEF or ILO. *Three UNDP staff are working with the United Nations team.*

112. In meetings of the Working Group the Integrated Management Information System of the Task Force on Common Services during February and March 1999, different scenarios for the structure of a common service for IMIS maintenance were reviewed. It could be a full common service, a central service with a copy or a combination of the two dependent upon each organization's strategy and requirements. In an iterative process, proposals were developed to reach agreement on the best way to approach the long-term maintenance of IMIS. The Working Group also considered organization and staffing levels, budget and funding allocations. Details on what services were to be

provided and what would not be covered by the common service were given and terms of reference for the proposed Special Interest Groups were developed. The consultant was requested to prepare a revised consolidated document, taking into account comments expressed by members of the Working Group. After further review in the Working Group, the revised set of scenarios would be submitted to the Task Force on Common Services.

113. IMIS at the United Nations Office at Geneva currently has about 230 users and 3,800 staff in the database. One of the great benefits of IMIS has been the establishment of standard procedures, for example, IMIS fixes how benefits and entitlements are to be applied. The desk procedures developed for New York could not be applied in exactly the same way in Geneva, but are still of great help. *The Office of the United Nations High Commissioner for Refugees decided not to use IMIS.* Although the United Nations Office at Geneva was carrying out some accounting processes, including payroll for the Office of the High Commissioner, the Office had a personnel information system and a field accounting system already in place. OIOS considered that it would have been beneficial if the Office of the High Commissioner had decided to use IMIS because operationally it was more closely linked with the Secretariat, than, for example, ILO. *OIOS was also informed of the possibility of remote access from The Hague and Bonn.*

114. In Vienna, there are at present 40 to 50 active IMIS users with about 840 staff in the database. Budget and finance applications for the United Nations Office at Vienna are still being run by UNIDO on a cost recovery basis pending implementation of release 3. UNIDO has not yet decided on whether it should use IMIS pending the full development of the system, but is reviewing how operations are proceeding in other agencies.

K. Information technology and telecommunications

115. Acting on a recommendation of the Working Group on Common Services for Information Technology and Telecommunications, a Management Committee for Information Technology and Telecommunications was established in New York. It comprises representatives of: UNICEF, UNDP, UNFPA, the United Nations Office for Project Services and the United Nations. Membership is at the level of chief information officer or an equivalent individual responsible for the information technology function in the participating agency. The Committee's objectives are to share information on information technology policies, standards and common services initiatives among United Nations organizations located in New York *to determine the activities that could be jointly undertaken* and to ensure that operational activities which could be undertaken under the common services umbrella are managed to the satisfaction of all participants.

116. The following 14 service areas *have been identified* for possible coordination by the Management Committee: information technology/telecommunications planning and coordination; establishment of standard information technology hardware and software products; technology assessment for new products and facilities; electronic mail and groupware; Internet/Intranet support; provision of services to Member States; LAN infrastructure design and support; information technology/telecommunications expert level technical support; telephone system support; wide-area network operations; video conferencing; enterprise-wide systems development; training facilities for information technology/telecommunications products; protection against service outages and disasters and information security.

117. In January 1999, a new Chairman of the Working Group on Common Services for Information Technology/ Telecommunications was appointed. For the first six months of 1999, the Working Group concentrated on exploring possible joint PABX common procurement and arrangements; links with the Working Group on Facilities Management and Procurement on other common arrangements; and links with the Working Group on Archives and Records Management on electronic archiving.

118. The ongoing review of the structure and functions of the Information Technology Services Division in New York needs to be brought to a successful conclusion at the earliest possible date to lay a solid basis for further collaboration with other organizations. Repeated restructuring and high turnover of managers in the Division in recent years had weakened the leadership and credibility of the Division in the information technology area.

119. In Geneva, the Electronic Services Section is part of the Financial Resources Management and Electronic Service of the Division of Administration of the United Nations Office at Geneva. The Section consolidates telecommunications services that were formerly provided by Buildings Management and hardware aspects of electronic data-processing that were part of Finance. It was pointed out that the Section was established mainly to deal with the data network, but to date there was no clear instruction that the Electronic Services Section was operating the network. UNCTAD and the Economic Commission for Europe are running their own servers; in

some cases this created problems for the network. It was felt that issuance of the draft Secretary-General's bulletin on the United Nations Office at Geneva would provide a clear delineation of areas of responsibility, necessary for more efficient operations.

120. The Electronic Services Section is the secretariat of the Technological Innovations Committee at the United Nations Office at Geneva, which consists of representatives of the various entities at the working level. It has established a Standards Task Force that meets once a month and is chaired by a user entity. One outcome was the approval of the standard personal computer configuration proposed by the Electronic Services Section.

121. In Vienna, information technology services for the Secretariat are provided mainly by the Information Technology Unit of the Division of Administrative and Common Services of the United Nations Office at Vienna. *The unit was created on 20 October 1998 by merging the former Electronic Support Unit and analogous functions, essentially those relating to information technology infrastructure, that is, network elements, servers, end-user workstations and other peripherals and desk-top software provided up to then in the Information Resources Development Branch of the United Nations International Drug Control Programme.* Staff of the International Drug Control Programme continue to support the user-specific applications needed for their work. Telecommunications is a joint service of United Nations Office at Vienna and UNIDO. By having had a bidding process for long distance telephone services, the costs for the two organizations have been reduced by almost 50 per cent compared to the previous arrangements. The United Nations Office at Vienna has contracted IAEA for provision of Internet access.

122. One of the common services in the United Nations system that are organized on a cooperative basis, is the International Computing Centre. The International Computing Centre is located in Geneva and provides information technology services for organizations in Geneva, New York and Rome. In 1998, 23 organizations were represented on its Management Committee. The Office of the United Nations High Commissioner for Refugees, the United Nations, WIPO, WFP and WHO accounted for 90 per cent of the shared expenditures of the International Computing Centre during 1996 and 1997.

123. Since its creation in 1971, the International Computing Centre has operated on the basis of cost recovery. Changes in the kind of services provided to users, for example, distributed computing, Internet technologies and networks instead of dedicated lines, has created the need for new charging models. Cost centres, which were redefined in 1995, remained unchanged for the biennium 1998–1999, but a number of enhancements to charging models are to be presented to the Management Committee. One feature would be a better ability to compare the charges of the International Computing Centre with those of commercial service providers. The United Nations Offices at Geneva and Vienna informed the Office of Internal Oversight Services that, as applied at present, the International Computing Centre model prevents the use of standard financial control techniques because the categories in which costs are estimated differ from those used in invoicing.

124. The International Computing Centre considered that further data centre consolidation, rationalization of software and automation of operations throughout the United Nations system could result in substantial savings. For example, the consolidation of New York's mainframe operations at the International Computing Centre resulted in estimated savings of $1.2 million per year.

IV. Conclusions

125. The Secretary-General's strategy in respect of common services sought to reinforce the need for the United Nations system of organizations to achieve economies of scale and increase efficiency, to facilitate processes and avoid overlapping and duplication and to enhance a unified sense of responsibility for United Nations system cost-effectiveness.

126. The difficulties identified by the departments/offices interviewed at all three duty stations included the need for each organization to control its own resources and staff, distrust of other entities' ability to prioritize services equitably, individual mandates from governing bodies and lack of interaction and communication among heads of organizations. During the inspection, much was also made of the need for "political will", as though the will to change should come only from the Member States or from the Secretary-General himself. The challenge facing the United Nations therefore, is to remove these barriers at the level of each individual staff member and each programme manager so that they will take the initiatives and risks necessary to attain the change that, as the Secretary-General has stated, will renew the confidence of Member States and staff in the United Nations continued relevance and effectiveness.

127. As will be seen from the present report, the work carried out by the Task Force on Common Services and its working groups has progressed. *The Executive Coordinator*

has chosen to rely on a demand-driven process and a collaborative approach, given the sensitivity of the participating organizations regarding their identities and mandates. The approach has been welcomed by the players involved and has created an environment that is conducive to dialogue and an openness to the benefits to the United Nations system of expanding common services. This is a step in the right direction. It is important that the momentum be kept and that progress be regularly reported to the Executive Coordinator. Equally important, at the outset, the United Nations Offices at Geneva and Vienna need to be made a part of the entire process, in order to permit cohesive implementation of the strategies among the major duty stations. Other duty stations need to be made aware of actions taken.

128. In addition, the success of establishing common services, covering not only the United Nations but also the specialized agencies, would depend heavily on the resolve of Member States, considering the independence exercised by the various specialized agencies. Member States who clamour for change and cost reductions at the General Assembly should do the same in the governing bodies of the organizations of the United Nations system and should stress the need to achieve economies of scale and greater efficiency through expanded common services system-wide. The intervention of the Secretary-General and the Deputy Secretary-General in this regard, directly with Member States and through the Administrative Committee for Coordination, is therefore required.

V. Recommendations

129. The Department of Management should expedite implementation of the delegation of authority and responsibility to line managers as stated by the Secretary-General and requested by the General Assembly (SP-98-001-01) (para. 13).

130. To improve the overall efficiency and timeliness of support services provided by the United Nations Offices at Geneva and Vienna to the departments at those duty stations, the Department of Management should expedite the decentralization of authority for human resources and financial and general support servicing matters to them, thus significantly reducing referrals to Headquarters, and should provide the required training and guidelines to ensure effective implementation (SP-98-001-02) (para. 15).

131. The Task Force on Common Services and the United Nations Office at Geneva need to work together and assess how common services may be expanded in Geneva, in the light of lessons learned and actions taken by the working groups in New York. The United Nations Office at Vienna should be kept informed of the work of the working groups as well (SP-98-001-03) (paras. 16–17, 127).

132. The United Nations Office at Geneva should: (a) prepare a report, in consultation with departments and offices at Geneva, on ways and means to streamline administrative process within the Palais to avoid duplication; and (b) meet on a regular basis with administrative officers in the Palais and conduct client satisfaction surveys on a regular basis (SP-98-001-04) (paras. 18–19).

133. (a) The existing billing system at the United Nations Office at Geneva should be further developed on the basis of clearly established principles and policies to improve transparency and reliability of data and to reflect mutually agreed costing arrangements with client organizations. A report on the status of the billing mechanism should be submitted to the Controller as soon as possible in 1999; (b) *The issue of reimbursement for other services provided (heating, cleaning, etc.) consequent to rental of space that is currently under review*, should be made part of the overall review of the costing arrangements of the United Nations Office at Geneva with the different entities (SP-98-001-05) (paras. 43 and 70).

134. The United Nations Office at Vienna should: (a) prepare an analysis of the costs of maintaining a full division of administration at the Office to establish whether its administrative support structure is reasonable in relation to the substantive programmes implemented and staff supported and identify ways of reducing administrative costs by utilizing, where feasible, UNIDO and IAEA's existing administrative structures; (b) together with IAEA and its partners in the Memorandum of Understanding, review the method of reproducing parliamentary documentation with a view to increasing its utilization of the common printing service; (c) examine how the advantages IAEA derives from its travel agency arrangements would benefit the United Nations Office at Vienna (SP-98-001-06) (paras. 25, 66 and 75).

135. It is essential to maintain centralized legal services in one entity covering the United Nations Secretariat and the funds and programmes, that is, in the Office of Legal Affairs, in order to ensure the uniform and consistent application of the law within the Organization, to protect its interests and minimize the risks of liability. This includes the protection of the Organization's name and emblem (SP-98-001-07) (para. 28).

136. The Department of Management should advocate with UNDP, UNICEF, UNFPA and the United Nations Office for Project Services at New York to utilize IMIS, so that the current commonly shared payroll system and the resulting economies of scale are sustained (SP-98-001-08) (para. 36).

137. The United Nations Treasurer should continue efforts towards a system of "United Nations house finances", to promote shared investments among United Nations organizations in New York (SP-98-001-09) (para. 41).

138. The Department of Management and the Office of Central Support Services should take the action necessary to work towards a shared agreement with the funds and programmes in New York with one supplier instead of the present multiple contracts with different suppliers, in respect of the purchase of photocopying paper, freight forwarding services and other supplies and services (similar to the arrangements for office supplies that came into effect on 1 February 1999). Such a contract should be negotiated on the basis of total volume required by the United Nations family, including delivery, to achieve economies of scale (SP-98-001-10) (paras. 49–50).

139. The United Nations Office at Geneva should increase efforts to promote shared agreements among the Geneva-based organizations in the light of the benefits derived from the volume purchase agreement of its Purchase and Transportation Service for computer equipment and accessories (SP-98-001-11) (paras. 54–55).

140. The United Nations Office at Vienna should identify further areas in which shared procurement by the three organizations in the Vienna International Centre, for example, photocopying paper, office supplies *and the securing of contractual translation services,* either from agencies or individual contractors, would reduce overall costs of goods and services purchased and should take the necessary action accordingly (SP-98-001-12) (para. 57).

141. The Department of General Assembly Affairs and Conference Services should: (a) more actively pursue the optimum use of its United Nations printing facilities by the Secretariat entities and funds and programmes through the Working Group on Printing; (b) taking into consideration the efforts already made by both New York and the United Nations Office at Geneva printing services in developing cost-accounting methods to adequately cover the cost of material and staff time devoted to the production of specific jobs, seek the assistance of the relevant financial services in establishing the costing parameters that would be used in connection with the provision of printing services to agencies and programmes; (c) in the framework of the Inter-Agency Meeting on Language Arrangements, Documentation and Publications, encourage member agencies to take action that would result in cost-efficiencies for the United Nations system. *The Conference Services Division at the United Nations Office at Geneva should offer to take the lead in this regard, given that it has already initiated actions aimed at enhancing efficiency and cost-effectiveness in a wide range of aspects among the local printing facilities* (SP-98-001-13) (paras. 59; 60–62 and 65).

142. The Office of Central Support Services should: (a) share the requirements for travel agency services jointly developed by the Working Group on Travel and Transportation with other duty stations; (b) continue to closely monitor the evolution of various travel booking tools on the World Wide Web, with a view to expediting the introduction of an Internet-based travel booking system to allow staff to book their own travel and pass the information to the travel agency directly, the savings to be accrued therefrom, in terms of time and costs, should be identified; (c) propose ways in which the control and coordination systems between duty stations with regard to travel and shipment can be strengthened to avoid delays and ensure the best routes and rates, increase value for money and reduce indirect and overhead costs (SP-98-001-14) (paras. 73–74).

143. The Department of Management and the Office of Central Support Services should: (a) immediately review the proposals of the Working Group on Archives and Records Management and use them as a framework for the efficient implementation of new archival systems in all the duty stations; inform/consult with the United Nations Offices at Geneva and Vienna regarding those proposals and their objectives, in order that a coherent policy may be established; (b) undertake a cost and service level benefit analysis of outsourcing the storage of documents and *propose alternatives to address any information security risks or other concerns noted in the requested legal opinion on "contractual storage and consortium arrangements"* (SP-98-001-15) (paras. 70 and 82).

144. The Department of Management should: (a) identify areas of security that need to be strengthened, as well as the ideal number of officers necessary to deliver those services; seek assistance, in this connection, of an international professional security firm to conduct a management review that would include other United Nations duty stations; (b) initiate an assessment of expenditures based on workload, total cost per security officer and number of staff members employed by each office, with a view to establishing adequate cost-sharing and reimbursements by funds and programmes to the Security and Safety Offices in New York and Geneva; and (c) consult the United Nations

Office at Vienna regarding cost-sharing experiences (SP-98-001-16) (paras. 88–90).

145. The Office of Human Resources Management should: (a) undertake a client satisfaction survey at the earliest possible date to determine which areas of services are in need of improvement in terms of quality and timeliness of delivery; the results of the survey and the actions to be taken to address identified weaknesses should be communicated to all departments; (b) implement reforms to expedite the recruitment process; (c) undertake a review aimed at assessing efficiency gains that could be derived from pooling as many services as possible in human resources management in the different duty stations, for example, recruitment of general service staff; (d) take action to have mutual access to rosters of candidates and/or expanding the skills inventory to organizations of the United Nations system (SP-98-001-17) (paras. 99 and 107).

146. (a) Necessary action should be expedited to establish a formal arrangement among IMIS users for a common service to maintain and support the system; (b) efforts should be intensified by the IMIS project team to make the system known to other organizations of the common system so that they may make informed choices when considering developing or enhancing their management information systems (SP-98-001-18) (paras. 109–110).

147. The Department of Management should reorganize and strengthen the Information Technology Services Division as soon as possible, to enable the United Nations in New York to meaningfully promote common services in information technology and telecommunications (SP-98-001-19) (para. 118).

148. The United Nations Office at Geneva and the United Nations Office at Vienna should take the lead in reviewing arrangements in the area of information technology and telecommunications in their respective locations with a view to enhancing cooperation and the use of compatible systems. They should organize working groups similar to those in New York to explore possibilities for expanding common information technology services in their respective duty stations (SP-98-001-20) (paras. 119 and 121).

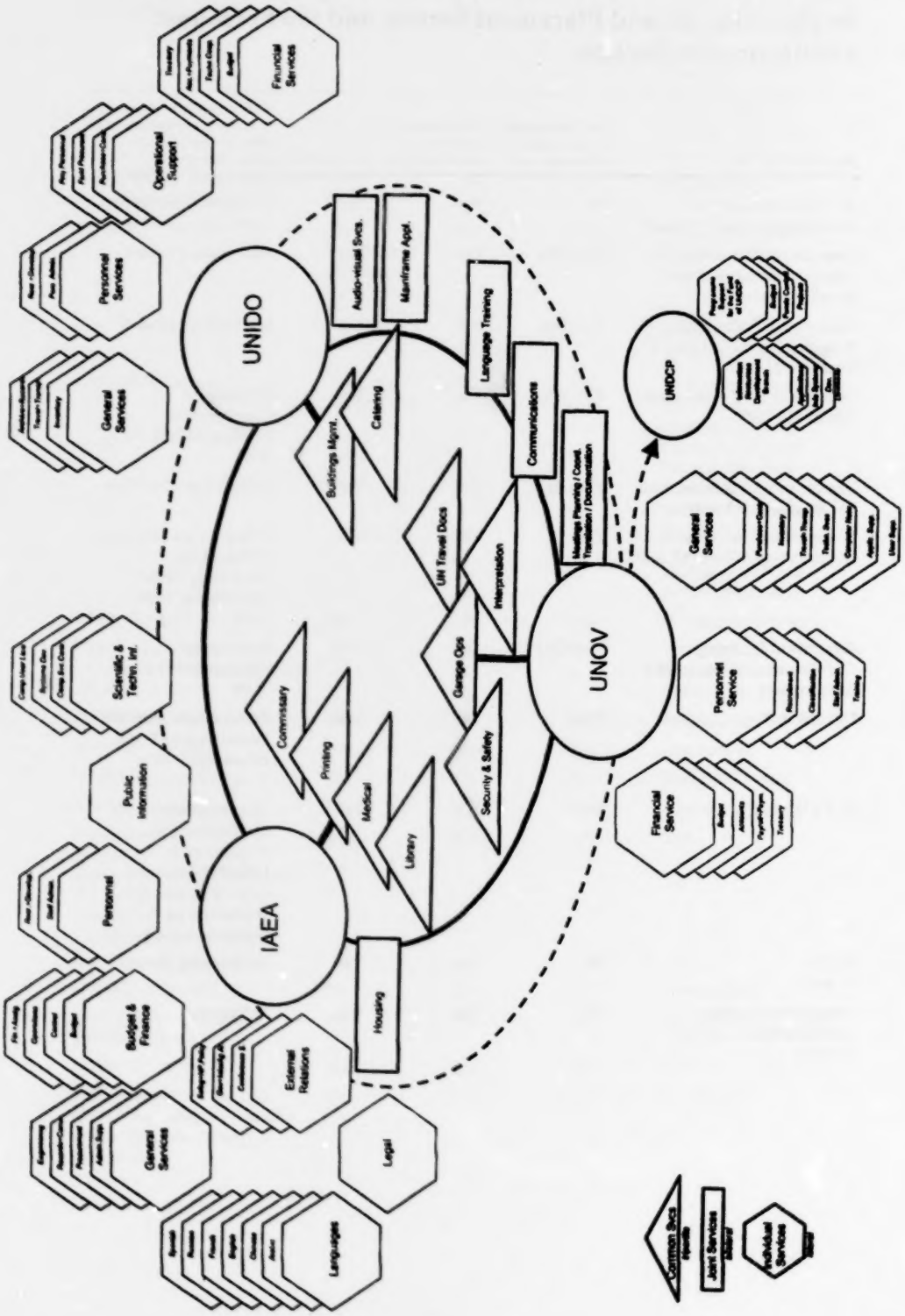
149. In establishing or expanding common services, charging methodologies that provide for clear criteria and transparency of cost accounting to users should be developed. The ICC model may be used, but should be reviewed and modified to take the concerns of the United Nations Offices at Geneva and Vienna into account (SP-98-001-21) (paras. 122–124).

150. The Department of Management should determine what steps could usefully be employed to promote common services within the United Nations system of organizations, within the mechanism of the Administrative Committee on Coordination (SP-98-001-22) (para. 128).

(*Signed*) Karl Th. **Paschke**
Under-Secretary-General for
Internal Oversight Services

Annex I

Administrative and support services at the Vienna International Centre



Annex II

Departments/offices services at the United Nations Office at Geneva Personnel Service and type of service delivered by the Recruitment and Placement Section and the Personnel Administration Section

Departments/offices	*Decision-making on appointment and promotions*	*Administration of entitlements — Process actions*	*Policy advice*	*Entities enjoy full autonomy or reliance on headquarters (New York or other) for policy decisions*
Audit and Management Consulting Division (20 staff)	No	Yes	Yes	OIOS Panel in New York
Consultative Committee on Administration Questions (6 staff)	Yes (GS)	Yes	Yes	Inter-agency funded
Consultative Committee on Programme and Operational Questions (2 staff)	Yes (GS)	Yes	Yes	Inter-agency funded
Department for Disarmament Affairs (10 staff)	Yes (GS)	Yes	Yes	Reliance on Department of Political Affairs, New York
Department of Economic and Social Affairs (37 staff)	Yes (GS)	Yes	Yes	Reliance on New York
Office for the Coordination of Humanitarian Affairs (88 staff)	Yes	Yes	Yes	Policy advice from the Office of the Emergency Relief Coordinator, New York
Department for Policy Coordination and Sustainable Development	Yes (GS)	Yes	Yes	Professional appointment by New York
DPI (58 staff)	Yes	Yes	Yes	Policy advice from the Department of Public Information, New York
ECE (181 staff)	Yes	Yes	Yes	Full compliance with Staff Rules and Regulations of the United Nations and General Assembly resolutions on human resources management
FICSA (4 staff)	No	Yes	Yes	Inter-agency funded
Information Systems Coordination Committee (1 staff)	No	Yes	Yes	Independent

Departments/offices	*Decision-making on appointment and promotions*	*Administration of entitlements — Process actions*	*Policy advice*	*Entities enjoy full autonomy or reliance on headquarters (New York or other) for policy decisions*
JIU (21 staff)	Yes	Yes	Yes	Inter-agency funded enjoys flexibility from Staff Rules and Regulations of the United Nations and General Assembly resolutions on human resources management
United Nations Compensation Committee (220 staff)	Yes	Yes	Yes	Full autonomy
UNHCR (253 staff)	Yes Except field operations (UNOPS)	Yes	Yes	Full compliance with Staff Rules and Regulations of the United Nations and General Assembly resolutions on human resources management
UNCTAD (401 staff)	Yes (100 series staff)	Yes	Yes	Full compliance with Staff Rules and Regulations of the United Nations and General Assembly resolutions on human resources management for 100 series staff Delegated authority for 200 series staff
UNEP (89 staff)	No	Yes	Yes	Reliance on Nairobi
United Nations Framework Convention on Climate Change (88 staff)	No	Yes	Yes	Delegation of authority upon relocation to Bonn
UNICC (2 staff)	No	Yes	Yes	Independent
UNIDIR (19 staff)	No	Yes	Yes	Autonomous
UNITAR (15 staff)	No	Yes	Yes	Board of Trustees
UNJSPF (12 staff)	No	Yes	Yes	Inter-agency funded
United Nations Office at Geneva Office of the Director-General (22 staff) Administration (530 staff) Commission on Sustainable Development (884 staff)	Yes	Yes	Yes	Yes
UNRISD (17 staff)	No	Yes	Yes	Autonomous
United Nations Statistical Division (5 staff)	No	Yes	Yes	Reliance on New York
DPKO (32 staff)	No	Yes	Yes	Reliance on New York
International Civil Servants Mutual Association (Mutuelle d'Epargne et de Crédit) (11 staff)	No	Yes	Yes	Independent

Departments/offices	*Decision-making on appointment and promotions*	*Administration of entitlements — Process actions*	*Policy advice*	*Entities enjoy full autonomy or reliance on headquarters (New York or other) for policy decisions*
UNIDO (5 staff)	No	Yes	Yes	Inter-agency
Groupement de prévoyance et d'assurance des fonctionnaires internationaux (5 staff)	Yes (GS)	Yes	Yes	Inter-agency
Standing Consultative Commission (2 staff)	Yes	Yes	Yes	Full compliance
United Nations Office for Project Services	No	Yes	Yes	Reliance on New York